

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2488 – HB 2665**

March 3, 2010

**SUMMARY OF BILL:** Requires the Commissioner of Veteran's Affairs to establish and manage a veteran's honor medal program to recognize and honor all Tennessee veterans and to design or commission a design of a medal for this program; a gold star shall be affixed and awarded to the next of kin of those killed in action; a silver star shall be affixed and awarded to those wounded in action. Authorizes the Commissioner to form an advisory committee to assist in the design of the honor medal and accompanying certificates. Requires the Commissioner to promulgate rules and regulations to determine eligibility for award of the honor medal based upon military records.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$130,700/One-Time  
\$2,200/Recurring**

**Assumptions:**

- It is unclear whether the bill would apply to existing Tennessee veterans wounded and killed in action or whether the bill would apply to those veterans wounded and killed after the effective date of this bill; or whether the bill applies to all currently existing Tennessee veterans regardless of status.
- The Commissioner of Veterans Affairs is required to promulgate rules and regulations to determine eligibility for award of the honor medal, which will be done after the passage of the bill.
- There are an estimated 23,000 Purple Heart veterans in Tennessee currently and at least 100 KIA (killed in action) since Desert Storm. This estimate assumes veterans awarded the medal initially would be taken from this pool.
- According to the Department of Military, there would be a one-time start-up cost of approximately \$2,000 for the design and casting of the dye/mold from which these medals will be made (\$1,800 for a two-sided medallion), plus the cost of trim or punching (\$200).
- The cost of the medal would depend upon several variables including the artwork or the intricacy of the design, the size and thickness, the metal(s) used, whether paint is also used on the medal, the attached ribbon used, the presentation box, and the accompanying certificates.
- Based on information provided from a vendor used by the Military Department, medals can range in price from \$13 to \$70 each including the ribbon. A presentation box or case for a full-size medal with ribbon would cost approximately \$9 each. The total cost

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of each medal and box could range from \$22 to \$79 each. This does not include the cost of the certificate.

- At least 25 percent of those eligible will receive a medal. Based on an estimated cost of \$22 per medal, there would be a one-time cost of approximately \$128,700 to award medals to 25 percent (5,750) from the number of estimated 23,000 Purple Heart veterans and all of the 100 KIA since Desert Storm (\$22 x 5,850).
- The total one-time cost to establish the program, design, and award the medal to 5,850 veterans is estimated to be \$130,700 (\$2,000 + \$128,700).
- The total number of veterans eligible to receive the medal in the future cannot be determined; however, it can be estimated that approximately 100 medals could be awarded each year to those wounded or killed in action if eligible. There could also be a cost for additional medals given to members of the same family of veterans killed in action.
- A recurring cost of approximately \$2,200 annually for 100 medals @ \$22 each for new honorees.
- All meetings of the advisory committee will be held in Nashville. Any meeting expense can be accommodated within existing resources without an increased appropriation or reduced reversion.
- Any cost to the Department of Veteran's Affairs to administer the program is estimated to be not significant and can be handled within existing resources.
- If the bill applies to all Tennessee veterans, the cost of the program could be significantly higher depending upon how many veterans are selected to be awarded the medal each year. According to the Department of Veterans Affairs, there are currently 507,000 veterans in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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